

U. S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20590

STATEMENT OF GLENN J. SEDAM, DEPUTY ASSISTANT SECRETARY FOR ENVIRONMENT, SAFETY, AND CONSUMER AFFAIRS, BEFORE THE SUBCOMMITTEE ON COMMUNICATIONS AND POWER, HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, ON H.R. 15205, THURSDAY, JUNE 13, 1974.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before this subcommittee to discuss H.R. 15205, a bill "To amend the Natural Gas Pipeline Safety Act of 1968 to authorize additional appropriations, and for other purposes."

Here with me is Joseph C. Caldwell, Director, Office of Pipeline Safety, who has extensive knowledge of the details of the Department's pipeline safety program and we will be very happy to attempt to answer any questions you might have relating to the program.

In a letter transmitting our gas pipeline proposal, dated May 16, 1974, addressed to the Speaker of the House, the Secretary of Transportation requested that the Natural Gas Pipeline Safety Act of 1968 ("the Act") be amended to authorize permanent authorizations with which to administer the Act and to authorize separate annual appropriations for grants-in-aid to the States for the administration of State pipeline safety programs. This bill was introduced by Mr. Staggers and Mr. Devine on June 5, 1974, and was referred to the Committee on Interstate and Foreign Commerce as H.R. 15205.

The 1972 amendments to the Act authorized annual appropriations for each of the fiscal years 1972, 1973, and 1974. The amounts authorized for each year covered both the costs of administering the program and grants to the States to conduct pipeline safety programs. In view of the Secretary of Transportation's continuing responsibilities in administering the Act, we propose that appropriations be permanently authorized for the administrative costs of the program in order to give the Secretary the flexibility to obtain resources he needs to carry out the kind of program contemplated by the Natural Gas Pipeline Safety Act. We also propose that the appropriations for the grants-in-aid to the States be authorized separately in order to forewarn the States of the overall Federal level of pipeline grant funds to be made available to the States in order that they can plan for the needed matching funds. The permanent authorization for conducting the gas pipeline safety program is consistent in form with the statutory authorizations for administration of other grant programs conducted by the Department.

The Secretary, through the Office of Pipeline Safety (OPS), has responsibility under the Act to (a) promulgate minimum safety regulations for pipeline facilities utilized in the transportation of gas in or affecting interstate or foreign commerce, and (b) encourage the adoption and enforcement of these minimum Federal standards as State law with respect to intrastate gas pipelines.

Pursuant to the first described responsibility, the OPS is continually reviewing, revising and improving these minimum standards to reflect advances in the state-of-the-art within the industry and to implement

the pipeline safety recommendations of the National Transportation Safety Board ("NTSB") resulting from their investigation of major pipeline accidents. In this connection we now have 25 Notices of Proposed Rulemaking in various stages of development.

OPS conducts independent or concurrent investigations of pipeline accidents in an attempt to ascertain the need for additional regulations or other corrective actions. The Fauquier County, Virginia transmission pipeline accident which occurred on June 9, 1974, is the most recent major pipeline accident to be concurrently investigated by OPS and NTSB. That investigation is still in progress and no definite conclusions have been made.

As a result of the fluctuation in the demands on OPS resources resulting from variations in the number of studies and accident investigations conducted, the administrative costs of OPS vary from year to year. Pay raises, personnel changes and other unanticipated program requirements also create variances in these administrative costs. The open-end authorization we propose for these administrative expenses will provide the Secretary with the necessary flexibility to accommodate these variations in administrative costs without diminishing Congress' control of pipeline safety program exercised through the normal appropriations process.

With regard to efforts to encourage State pipeline safety programs OPS pays up to 50 percent of the cost of implementing such programs. Under existing authorizations, combining both the administrative costs

and grant-in-aid funds, it is difficult for States to anticipate the amount of funds that will be available to implement the State programs. We propose that the States be apprised in advance of the maximum amount of grant-in-aid money available by separately identifying these funds in the authorizing legislation. This would enable each State to compute its pro rata share of available grant-in-aid funds by utilizing its experience of prior years. States would thus be able to plan their programs more effectively and adopt any necessary conforming State legislation.

We feel that the amendments as proposed in H.R. 15205 will provide the Secretary the flexibility necessary to carry out the provisions of the Act and will enable States to participate to the maximum of their capability.

Mr. Chairman, this concludes my prepared statement and we will be pleased to answer any questions you or the other Committee members might wish to ask.

/